

**Amendment One
to the
Agreement
between the
Kansas Health Policy Authority
and
Electronic Data Systems, LLC
for
Premium Billing and Collection Services**

The above referenced agreement entered by and between the Kansas Health Policy Authority, hereinafter referred to as "KHPA," and Electronic Data Systems, LLC (formerly Electronic Data Systems Corporation), hereinafter referred to as "EDS", beginning October 1, 2008 is hereby amended by agreement of the parties ("Amendment One").

As of August 29, 2008, Electronic Data Systems Corporation changed its name to Electronic Data Systems, LLC.

KHPA has determined it is in the best interest of the State to make certain changes to the agreement as originally agreed upon; and EDS is agreeable to such changes; now for and in consideration of the mutual covenants and agreements contained herein, the parties hereby mutually covenant and agree as follows:

- I. **Scope of Work.** The Scope of Work section of Request for Proposal #11162 is amended as follows:
 - A. The following contractual services are deleted from the Scope of Work:
 1. Quarterly Statements
 2. Repayment Agreements
 3. COBRA Administration
 4. Full quarterly file for reconciliation for State Employee's Health Plan (SEHP)
 - B. The following contractual services are added to the Scope of Work:
 1. Welcome Letter
 - a. EDS will:
 - (1) Generate a letter for all members active as of the program's go-live date. Following that mailing, the letter will be sent to each newly added member as part of the program's monthly billing cycle.
 - (2) Pass through the postage cost to KHPA.
 - (3) Identify new members and include letters with initial statements during on-going operations.
 - (4) Create a new letter record to letter request tables.

- (5) Create a new letter template for the letter generator.
 - (6) Support one version of the letter for SEHP and second version of the letter to cover both the HealthWave 21 and Working Healthy programs.
2. Kansas Public Employees Retirement System (KPERS)
 - a. EDS will:
 - (1) Use the indicator on the SEHP billing file indicating KPERS drafts participation to generate a corresponding payment file to KPERS to search each month in the format required by KPERS.
3. Bank draft and ACH Administration
 - a. EDS will
 - (1) Create a Member ACH Enrollment window with five (5) to ten (10) data elements specific to KHPA business requirements.
 - (2) Create a new table and corresponding window data elements.
 - (3) Create a monthly batch job within the financial cycle to produce new and or update existing recurring ACH draft transactions in the NACHA format
 - (4) Test processing the new file with financial partners.
 - (5) Create a monthly report to show ACH transactions initiated in each monthly cycle and the grand total submitted to the bank.
 - (6) Store ACH enrollment data in date driven segments.
4. SEHP Input File/Fund Allocation: This file will provide KHPA Central Receivables Unit with a financial index for each coverage level or plan that requires detailed financial reporting.
 - a. EDS will:
 - (1) Gather business requirements from KHPA.
 - (2) Develop an overall business design based on KHPA's business requirements.
 - (3) Review results with SEHP and KHPA Finance and Operations staff.
 - (4) Review technical design against KHPA business requirements.
 - (5) Perform technical design and coding of a new table to store fund allocation data.
 - (6) Import data from the Direct Bill and non-State group spreadsheets to be received from KHPA.
 - (7) Create new logic as part of the SEHP input file processing by interchange Premium Billing and Collections ("IC PB&C") to read the new fund allocation table according to business rules provided by KHPA.
 - (8) Perform unit testing and data validation for each update event.

- (9) Create additional cases to test new fund allocation logic added to IC PB&C.
- (10) Review fund allocation file received from KHPA.
- (11) Execute test cases and document results.

II. Operational Services.

A. EDS shall begin the agreed upon operational services for the following programs accordingly:

- 1. SEHP: May 1, 2009
 - a. Pursuant to the change in start date from April 1, 2009 to May 1, 2009 SEHP and EDS have agreed to the following:
 - i. EDS will:
 - Perform user acceptance testing type activities in the month of April representative of services that would have been conducted in production for April.
 - Delay hiring some operational staff in April to May in order to provide additional level of user acceptance testing.
 - ii. KHPA accepts the services EDS is providing in lieu of operational services and agrees to reimburse EDS the scheduled fixed amount for April 2009.
- 2. Working Healthy (WH): July 1, 2009
- 3. HealthWave 21: January 1, 2010

III. Contract Term.

The contract term as stated in the Period of Contract section of the original contract is hereby deleted:

October 1, 2008 through June 30, 2011, with the option to renew for two (2) optional one (1) year periods.

And is hereby replaced with the following:

The contract period is October 1, 2008 through December 31, 2011, with the option to renew for two (2) optional one (1) year renewals. The updated price sheets, attached as Exhibit A will reflect the new contract period as well as realign fixed prices for HealthWave 21 with the program's operational date.

IV. Compensation. Contract compensation is amended to include the following:

A. The following contractual services costs are hereby deleted from the contract cost:

1. Quarterly Statements:
 - a. Implementation cost: \$7,926.10
2. Repayment Agreements:
 - a. Implementation cost: \$11,435.10
 - b. On-going yearly costs: \$11.17
2. COBRA Administration:
 - a. Implementation cost: \$10,302.80
 - b. On-going yearly costs: \$279.32
3. Full quarterly file for reconciliation for State Employee's Health Plan (SEHP):
 - a. Implementation cost: \$4,019.10

B. The following contractual services costs are hereby added to the contract cost:

1. Welcome letter:
 - a. Implementation cost: \$ 3,116.88
 - b. On-going yearly costs: \$60.52
2. KPERS: \$0.00 (included as part of the base contract)
3. Bank draft and ACH administration:
 - a. Implementation cost: \$21,090.50
4. SEHP Input File/Fund allocation
 - a. Implementation cost: \$12,251.32
 - b. Ongoing per update event cost of \$4,193.60 not to exceed \$12,580.80 for three update events per year.

	Implementation	On-going Operations Costs for the Contract Term plus optional renewal periods	Total:
Deletions	\$33,683.10	\$ 290.49	\$33,973.59
Additions	\$36,458.70	\$41,084.29	\$77,542.99
Net effect	\$ 2,775.60	\$40,793.80	\$43,569.40

V. **Payment**

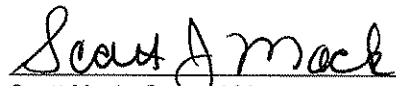
The HealthWave payment amount for FY10 will be paid in twelve payments with the first six payments as implementation and the remaining six payments as services provided during operations.

EDS shall include, as a separate line item on their monthly invoice following the implementation of these services, the cost for completing the implementing services included in this Amendment One. The invoice shall show the Amendment Number One (1) authorizing payment, a brief description of the services provided.

VI. **Other.** All remaining terms and conditions of the original agreement and subsequent addenda shall remain the same.

IN WITNESS HEREOF, EDS and KHPA hereto affix their signatures to the amendment.

ELECTRONIC DATA SYSTEMS, LLC



Scott Mack, General Manager
EDS State Health and Human Services

9/30/09
Date

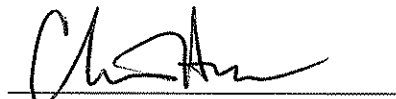
KANSAS HEALTH POLICY AUTHORITY



Andrew Allison, PhD
Executive Director Designee
Kansas Health Policy Authority

10/13/09
Date

KANSAS DEPARTMENT OF
ADMINISTRATION



Chris Howe, Director
Division of Purchases

12/16/09
Date



COST SHEET – Attachment “A”

Vendor Name: Electronic Data Systems – UPDATED 8/3/2009

The vendor shall submit, as their cost proposal, a firm fixed price to perform the activities described in this RFP.

A detailed budget breakdown, by year, is required with the cost proposal which supports the bid price and includes, at a minimum, detailed costs of the major tasks outlined in this RFP.

Vendors may be required to submit additional cost information with their revised offers.

Task	Description	SEHP	HealthWave	Working Healthy	Finance and budget
1	Premium Billing Services	FY09: \$ 62,797 FY10: \$166,571 FY11: \$166,135 FY12: \$171,448 FY13: \$176,868 FY14: \$ 90,497	FY09: \$ FY10: \$64,269 FY11: \$64,101 FY12: \$66,151 FY13: \$68,242 FY14: \$34,917	FY09: \$ FY10: \$9,869 FY11: \$9,843 FY12: \$10,158 FY13: \$10,479 FY14: \$ 5,362	Not applicable
2	Collection Services	FY09: \$ 49,652 FY10: \$126,274 FY11: \$134,420 FY12: \$138,209 FY13: \$142,074 FY14: \$ 72,515	FY09: \$ FY10: \$52,614 FY11: \$56,008 FY12: \$57,587 FY13: \$59,198 FY14: \$30,215	FY09: \$ FY10: \$31,568 FY11: \$33,605 FY12: \$34,552 FY13: \$35,519 FY14: \$18,129	Not applicable
3	Customer Service and Support	FY09: \$31,966 FY10: \$79,754 FY11: \$97,353 FY12: \$98,637 FY13: \$101,294 FY14: \$51,620	FY09: \$ FY10: \$41,539 FY11: \$50,705 FY12: \$51,374 FY13: \$52,757 FY14: \$26,886	FY09: \$ FY10: \$44,862 FY11: \$54,761 FY12: \$55,483 FY13: \$56,978 FY14: \$29,036	Not applicable
4	Training	FY09: \$16,647 FY10: \$26,997 FY11: \$28,072 FY12: \$28,848 FY13: \$29,640 FY14: \$15,115	FY09: \$ FY10: \$29,074 FY11: \$30,232 FY12: \$31,067 FY13: \$31,920 FY14: \$16,278	FY09: \$ FY10: \$13,152 FY11: \$13,676 FY12: \$14,054 FY13: \$14,440 FY14: \$ 7,364	Not applicable
5	Implementation	FY09: \$230,348 FY10: \$ FY11: \$ FY12: \$ FY13: \$	FY09: \$88,877 FY10: \$ FY11: \$ FY12: \$ FY13: \$	FY09: \$13,648 FY10: \$ FY11: \$ FY12: \$ FY13: \$	Not applicable
6	Other	FY09: \$ 36,774 FY10: \$122,013 FY11: \$118,140 FY12: \$121,429 FY13: \$124,787 FY14: \$ 63,644	FY09: \$ FY10: \$47,077 FY11: \$45,583 FY12: \$46,852 FY13: \$48,148 FY14: \$24,556	FY09: \$ FY10: \$7,229 FY11: \$7,000 FY12: \$7,194 FY13: \$7,393 FY14: \$3,771	Not applicable
7	Reports	FY09: \$27,798 FY10: \$62,208 FY11: \$54,254 FY12: \$55,827 FY13: \$57,434 FY14: \$29,315	FY09: \$ FY10: \$24,002 FY11: \$20,933 FY12: \$21,540 FY13: \$22,160 FY14: \$11,311	FY09: \$ FY10: \$3,686 FY11: \$3,214 FY12: \$3,308 FY13: \$3,403 FY14: \$1,737	Not applicable

KHPA reserves the right to adjust, reduce or eliminate the need for any of the above items should program or policy changes occur or financial commit become an issue in KHPA's opinion. Any such elimination may occur during the negotiation process or in writing after the Contract award. In the event an item is, or items, are eliminated, pricing of all remaining items shall not change.